


SUPPLY CONTRACT

Agreement of sale made on Dec 10th 2002
20___ between National Enterprises (Retailer)
and State Oil Company (Supplier).

1. **Sale.** Supplier shall sell and agrees to deliver and Retailer buy and agrees to receive and pay for the following products of kind and quality marketed by supplier at time and place of delivery in quantities specified from time to time by Retailer.

0319232148
173-490
360910



0319232148
Eugene "Gene" Moore Fee: \$32.50
Cook County Recorder of Deeds
Date: 07/11/2003 01:38 PM Pg: 1 of 5

2. **Point of Delivery.** Retailer's Gasoline/Convenience store located at:

Address: 119 S. Cicero Ave., Chicago, IL 60644

Permanent Index Number: _____

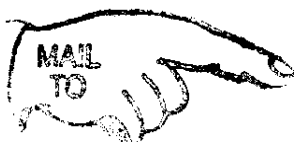
Legal Description: See Exhibit "A: attached hereto and made a part hereof.

3. **Products.** Deliveries of said gasoline, diesel and petroleum products shall be made by Supplier on Retailer's order in single deliveries of no less than 8,500 gallons. Supplier shall make deliveries within 48 hours following receipt of Retailer's order, but need not make deliveries outside of normal business hours or on Sundays or holidays.

4. **Terms.** Retailer agrees to pay cash (or at Supplier's option, certified or cashier's check, money order, Electronic Fund Transfer, Automated Direct Debit System, or other means approved by Supplier) for all goods delivered to Retailer by Supplier under the terms of this Contract except deliveries for which credit has been previously arranged in writing with Supplier. Purchases made and not paid for on delivery shall be payable at Supplier's principal office unless otherwise specified by Supplier. The Supplier shall charge the Retailer for each transport load of gasoline at Supplier's posted price plus federal excise tax, state motor fuel tax, underground storage tank tax, freight, prepaid state sales tax, and any county or city imposed taxes. State sales tax shall be the sole responsibility of the Retailer. Retailer shall furnish Seller with satisfactory tax exemption certificates where an exemption is claimed. Supplier may assess a reasonable administrative fee upon retailer for payments that are returned or rejected for lack of sufficient funds or for any other reason within Retailer's control. All overdue sums owed to Supplier will bear interest at the rate of 8% per annum or the highest rate permitted by law, whichever is lower, from date due until paid.

5. **Duration of Agreement.** This agreement shall remain in full force and effect for Nine Years + 9 Months (2) years commencing DEC 10th 2002 and ending August 3rd 2012, subject to the sooner termination (1) by either party in the event of any breach hereof by the other party or (b) by Supplier at any time subject to then governmental regulations upon (60) days written notice to Retailer. That in the event, upon completion of the term provided for hereunder, Retailer shall elect to purchase from any competitor of Supplier, Supplier shall have the right to continue the Agreement on an annual basis so long as Supplier shall be willing to do so under the same terms and conditions as those offered by any competitive Supplier with whom Retailer shall elect to enter into a supply agreement. This Agreement shall inure to the benefit of and be binding upon the parties, their successors and assigns, and shall be deemed to have been assigned to any successor in interest or assign of either party.

State Oil Company
400, S. Curran Road
Grayshike, IL-60030



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6. **Resale Provisions.** Retailer agrees not to mix, substitute or adulterate said gasoline, diesel fuel or petroleum products with any other gasoline, diesel or petroleum products. The Retailer's failure to comply with this provision shall constitute a material breach of his obligations under this Agreement.

7. **Time of Performance and Waiver.** The time of performance of all of the covenants and conditions of this Agreement is of the essence. The waiver of any breach or the failure to comply with any time restrictions imposed hereunder or course of dealing shall not be deemed to be a waiver of any subsequent breach or failure to adhere to the time requirements hereunder of the same or any other provision hereof.

8. **Suspension of Obligations.** The obligations of Supplier to deliver gasoline, diesel and petroleum products hereunder shall be suspended and excused (a) if Supplier is prevented from or delayed in producing, manufacturing, transporting or delivering in its normal manner any gasoline, diesel or petroleum products hereunder or the materials from which such gasoline and diesel fuel is manufactured because of acts of God, earthquake, fire, flood, or the elements, malicious mischief, riots, strikes, lockouts, boycotts, picketing, labor disputes or disturbance compliance with any directive, order or regulation of any governmental authority or representative thereof acting under claim or color of authority; or (b) loss or shortage of any gasoline, diesel or petroleum products due to reasons beyond Supplier's reasonable control, or (c) loss or shortage of any part of Supplier's own or customary transportation or delivery facilities due to reasons beyond Supplier's reasonable control, or (d) for any reason beyond Supplier's reasonable control. Whenever such causes, in Supplier's judgment, require restriction of deliveries, Supplier reserves the right, in its discretion, to restrict deliveries to Retailer, whether or not delivering to others. In the event of Supplier's suspension or excuse from delivery of restriction, Retailer may, in Retailer's sole discretion, obtain gasoline, diesel or petroleum products from any source(s) as Retailer may elect, any other provision of the Agreement notwithstanding, upon any such terms and conditions as Retailer elects, but only for the period of such suspension or excuse from delivery. If by reason of any of the above-mentioned causes, Supplier is unable to make deliveries to all its customers (whether under contract or not) its failure in whole or in part to make deliveries to Retailer, while delivering to others, shall not be a breach of this Agreement and in that event Supplier may, but shall not be obligated to prorate its available supply. Upon cessation of the cause or causes for any such failure or delay, performance of this Agreement shall be resumed, but that failure or delay shall not operate to extend the term of this Agreement nor obligate either party to make up deliveries or receipts, as the case may be.

9. **Right of First Refusal.** In the event Retailer shall, at any time prior to the expiration of the term of the Agreement, receive a bona fide offer to purchase the Premises and/or the business, located on the Premises (the "Business") and elects to accept said offer, Supplier shall have a 30 day right of first refusal to offer to purchase the Premises and/or Business on the same terms and conditions as those contained in the accepted purchase agreement. To facilitate the exercise of the Supplier's rights hereunder, the Retailer shall provide notice to Supplier that it intends to sell the Premises and/or Business and enclose therein a copy of any such executed purchase agreement within 5 days after its execution. Supplier shall have 30 days after receipt of such notice to exercise its right of first refusal. The right of first refusal shall only terminate in the event the Supplier fails to properly exercise the right and the Retailer closes on the sale of the Premises and/or Business in accordance with the terms of the proposed purchase agreement provided to Supplier.

10. **Branding.** Retailer agrees to conform to all branding requirements or regulations which may exist, and further to hold and save Supplier and the Refiner whose name or logo is being used harmless, including any attorney's fees or litigation costs from any and all claims or litigation arising from the operation or condition of Retailer's place of business.

M. K. [Signature]

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11. **Inspection of Records Audit.** The Retailer agrees to maintain a petroleum inventory record on any and all gasoline and diesel fuel products delivered by the Supplier. The inventory record will meet the minimum requirements of those government agencies having jurisdiction. The Retailer also agrees to notify the Supplier of any potential ground contamination so as to avoid any additional contamination.

12. **Indemnification and Imaging.** Supplier shall erect signs on the property of normal and reasonable size, for the purpose of advertising the brand of gasoline, diesel and petroleum products being sold. Supplier shall change signs if it changes its source of supply for the gasoline, diesel and petroleum products being sold by the Retailer. The signs are the property of the Supplier, but Retailer is entitled to the reasonable use of them during the duration of this Agreement. Retailer will be responsible for any fees imposed by any taxing body for the signs located on the property. Retailer agrees to maintain the image of the location in accordance with the Oil Companies brand identifications requirements.

13. **Supplier's Remedies.** In the event of a breach by Retailer of any of its material covenants or obligations contained herein, not cured within five (5) days after notice, the parties agree that the Supplier shall be entitled to terminate the Agreement and receive damages in a sum to be calculated by multiplying the Supplier's average daily profit margin on gasoline and other petroleum products sold to Retailer (equal to the price paid by Retailer per gallon above the cost of such products to Supplier as delivered to the Premises) over the prior twelve month period (or the period from the commencement of the Agreement in the event the Agreement will not have been in force for twelve months) by the number of days remaining on the then current term of the Agreement; or supplier may exercise any other remedy available to it at law or equity. In addition, Supplier shall be entitled, at its option, to remove all brand identification and credit card machines and be entitled to be reimbursed on a pro-rata basis for the expense incurred in painting, identifying pumps and the installation and removal of signage on and about the Premises. Supplier shall further be entitled to reimbursement from Retailer for the cost of the imaging and any other costs that Supplier has advanced to the Refiner or Oil Company in accordance with the Oil Company's imaging or brand identification requirements.

14. **Notices.** All notices, requests, and other communications under this Agreement will be in writing and notices will be deemed to have been duly given, effective on the date of mailing, if delivered or mailed, registered or certified mail, postage prepaid, return receipt requested, as follows:

If to Supplier: State Oil Company
400 S. Curran Road
Grayslake, IL 60030

If to Retailer: National Enterprises
119 S. Cicero Avenue
Chicago, IL 60644

15. **Indemnity.** Retailer agrees that it will save, hold harmless and indemnify Supplier, and the Refiner, whose logo or signage is being used in connection with the sale of petroleum products, from and against all liability or loss, including any cost of litigation or attorneys fees, which either the Supplier or the Refiner may sustain as a result of claims, demands, costs or judgments arising from the operation of the Business on the Premises, or from any action or inaction taken by any person at the Business or Premises, or from any condition or claim of condition of the Premises during the term of the Agreement.

16. **Modification.** This agreement may be modified or superseded by any and all governmental laws and regulations enacted subsequent hereto pertaining to Energy Allocation and Conservation, however hardships and forfeitures shall not be enforced between the parties as a result.

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17. **Receipt of Notice.** Retailer hereby acknowledges receipt of a copy of SUMMARY OF THE PETROLEUM MARKETING PRACTICES ACT, #3128-01-Federal Register-vol. 43, No. 169, which is made part of the Agreement.

SUPPLIER:

STATE OIL COMPANY

By: *John Annet*
Its: *President*

Attest: *Navdeep Walia*
By: *Navdeep Walia*

Retailer

RETAILER:

By: *[Signature]*

Its: _____

Printed Name _____

FEIN #: ____ - ____ - ____

Attest: *Navdeep Walia*
By: *Navdeep Walia*

Printed Name NAVDEEP WALIA

Property of Cook County Clerk's Office

UNOFFICIAL COPY**EXHIBIT "A"**

LEGAL DESCRIPTION OF SUPPLY AGREEMENT DATED Dec 9th 2002, 2002

FOR PROPERTY COMMONLY KNOWN AS: National Enterprises

Data Terminal Network ("DTN") Cost plus \$0.01 per gallon. All rebates and discounts on the re-branding of the location will be passed onto the Buyer. Any cost associated with the branding and penalty from current brand also becomes the responsibility of the Buyer.

LIQUIDATED DAMAGES. In the event of a breach of this Agreement by Retailer, Retailer agrees that it shall be liable for liquidated damages in the amount of ^{M.U.}~~20.00~~^{18.02} per gallon of Products for the remainder of the unexpired initial or renewal term for the (a) average number of gallons of Products during the twelve (12) month period immediately prior to that breach, or (b) the Minimum Quantities stated in **Exhibit B** to this Agreement, whichever is greater. Retailer acknowledges that Seller will sustain substantial damages in the event of breach of this Agreement by Retailer and that the amount of such damages would be difficult or impossible to ascertain or measure. Retailer further acknowledges that the amount of liquidated damages as provided in this Agreement is reasonable and expressly waives any right to claim that those liquidated damages are excessive.

Retailer will not pay extra surcharge (Extra freight) for Partial delivery.

M. W. S.